

Washington, DC - In a letter to U.S. House and Senate leadership, Congressman Maurice Hinchey (D-NY) today called for a vote on bipartisan reforms to alleviate financial burdens caused by a new Federal Emergency Management Agency (FEMA) requirement to purchase flood insurance. Thousands of families and small business owners throughout New York are suddenly facing the new requirement after being remapped into flood zones under FEMA's flood map modernization program.

In the letter to House Speaker John Boehner, Minority Leader Nancy Pelosi, Senate Majority Leader Harry Reid and Minority Leader Mitch McConnell, Hinchey called for a reauthorization of the National Flood Insurance Program (NFIP) that would include the ability to delay the flood insurance purchase requirement for five years and allow property owners to phase in insurance premium rates over a five year period, beginning as soon as a property owner initiates a flood insurance policy. Hinchey also asked that any reauthorization of the NFIP program include a plan to strengthen congressional oversight and address recommendations of the National Committee on Levee Safety.

"Many New York families and small business owners are facing huge new costs associated with having to buy flood insurance because they have been remapped into flood zones, even though they may have never experienced a flood," said Hinchey. "Everyone in Washington knows we need to fix the National Flood Insurance Program so that these families and small businesses aren't hurt by burdensome unfunded mandates, but nobody seems to want to act. As we fight over how to cut the deficit, other priorities, like this one, are falling by the wayside. That's why I've raised this issue. Congress needs to focus attention on this immediately, because too many people are already getting whacked with these new federal requirements."

In the previous Congress, Hinchey introduced the Flood Insurance Fairness Act (FIFA) to assist those facing a new flood insurance purchase requirement. He successfully attached several of the bill's provisions to a reauthorization of the NFIP that passed in the House, but the Senate failed to consider the legislation.

"Last year I introduced legislation, the Flood Insurance Fairness Act, to address this issue and many of the provisions of that bill were ultimately included in a reauthorization of the flood insurance program in the House, but the Senate was only able to pass a temporary extension," added Hinchey. "This time around, I'm hopeful that both sides, Republicans and Democrats, and both chambers, Senate and House, can come together to pass a bill. The families and small business owners I represent need these reforms now."

FEMA is required to establish flood-risk zones, which determine if property owners must purchase flood insurance. The current five-year flood map modernization initiative aims to update, revise and digitize the flood maps for more than 20,000 communities across the country in response to climate change, increased incidences of flood disasters, and changes to the environment.

Under the National Flood Insurance Program, created by Congress in 1968, property owners in flood-risk zones are required to purchase federally subsidized flood insurance if their property has a mortgage that is backed by the federal government.

The full text of Hinchey's letter to House and Senate leadership follows.

March 17, 2011

The Honorable John Boehner
Speaker, U.S. House of Representatives
H-232, the Capitol
Washington, D.C. 20515

The Honorable Nancy Pelosi
Democratic Leader
U.S. House of Representatives
H-204, the Capitol
Washington, D.C. 20515

The Honorable Harry Reid
Majority Leader, U.S. Senate
S-221, the Capitol
Washington, D.C. 20510

The Honorable Mitch McConnell
Republican Leader
U.S. Senate
H-230, the Capitol

Washington, DC 20510

Dear House and Senate Leaders:

As a member of Congress, I recognize the critical importance of the National Flood Insurance Program (NFIP) in identifying areas across the nation most at risk of flooding, minimizing the economic impact of flooding events, and providing flood insurance to individuals and businesses. I write to urge bipartisan and bicameral action to reauthorize and strengthen the NFIP this year.

Unfortunately, the program has operated under short-term extensions since 2008 and due to congressional inaction, NFIP's authorization lapsed three times in 2010, which negatively impacted borrowers who were unable to obtain insurance to close, renew, or increase loans. FEMA's revised flood maps are placing thousands of homes and businesses in new hazardous flood zones, requiring the purchase of flood insurance. The result of this well-intended policy is an unfunded mandate for property owners that couldn't come at a worse time as our economy struggles to recover. Additionally, NFIP must be reauthorized to restore confidence in the real estate market and to ensure that property owners, who are compelled to obtain flood insurance, can purchase policies at lower rates before new maps go into effect.

The communities I represent have identified key NFIP shortcomings that should be addressed in a comprehensive, long-term reauthorization bill. I respectfully request consideration of the following:

- Provide property owners in newly identified flood zones with the option of delaying the flood insurance purchase requirement for up to five years.
- Allow property owners to phase in flood insurance premium rates over a five year period, beginning as soon as a property owner initiates a flood insurance policy.
- Prohibit FEMA from revising and updating a floodplain or flood-risk zone until FEMA submits to Congress a community outreach plan for the updating of floodplain areas and flood-risk zones.
- Require FEMA to notify Members of Congress regarding key map modernization developments in their districts, including the issuance of Preliminary Maps when the clock on

the 90-day appeal period starts ticking.

- Require FEMA to reimburse property owners for the cost of technical and scientific data used to support successful flood hazard map appeals and protests.
- Address the recommendations of the National Committee on Levee Safety (NCLS), including the creation of national levee safety standards and levee maintenance and improvement grants.

Thank you for your leadership. I look forward to working with you on this key issue.

Sincerely,

Maurice D. Hinchey